



DEFENSE CONTRACT AUDIT AGENCY
DEPARTMENT OF DEFENSE
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PAS
DCAA Pamphlet No. 7641.90

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FOREWORD

This pamphlet has been prepared to assist contractors in understanding applicable requirements and to help ease the contract audit process. This pamphlet supersedes DCAA Pamphlet 7641.90, *Information for Contractors*, dated January 2002. The models in this pamphlet are presented to illustrate some of the more frequent requirements that contractors encounter when working with DCAA auditors and in responding to the Government procurement and administrative process. Our examples are intended solely to provide better insight into the procurement process and should not be construed as uniform guides. Nor should this pamphlet be considered a substitute for the applicable rules and regulations, as not all requirements are contained herein. Each contractor must tailor its responses to its individual situation. A listing of frequently used acronyms and abbreviations is included as Appendix A.

The DCAA Contract Audit Manual (CAM) provides extensive additional information on audit policies and procedures. The DCAA Pamphlet 7641.90, *Information for Contractors*, DCAAM 7640.1, CAM, and current audit guidance (not incorporated into CAM) are available on DCAA's web site at www.dcaa.mil. Other acquisition reference materials can be found on the Defense Acquisition University's Acquisition Knowledge Sharing System web site at <http://deskbook.dau.mil>.

The CAM (Stock Number: 708-077-00000-3)) can also be purchased from the Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250-7954.

The Federal Acquisition Regulation (FAR) is the primary regulation for use by most Federal agencies in their acquisition of supplies and services with appropriated funds. The FAR together with Agency supplemental regulations (e.g., the Department of Defense Federal Acquisition Regulation Supplement [DFARS], which applies to all Defense components), Cost Accounting Standards, as well as specific contractual provisions, should be the primary guidelines for contractors' conduct in administering contracts. The FAR, DFARS and other Agency supplements, and Cost Accounting Standards can be found in Title 48 of the Code of Federal Regulations (CFR) which is normally available in the reference section of most major public libraries. FAR and DFARS can also be found [on the Defense Acquisition University's Acquisition Knowledge Sharing System at http://deskbook.dau.mil](http://deskbook.dau.mil).

Included in this pamphlet at Appendix B is a transcript of FAR Subpart 4.7 on Contractor Records Retention. In addition, the Small Entity Compliance Guide can be found

at 48 CFR, Chapter 1. It can be accessed via the Internet at <http://www.arnet.gov/far/secgframe.html>.

All inquiries for additional information should be directed to the local DCAA field audit office, the address and telephone number of which can be found in the Directory of DCAA Offices (DCAAP 5100.1) or by using the Audit Office Locator on the DCAA web site. The contractor's business location where the accounting records are maintained should be used for determining the appropriate DCAA office. If assistance is needed in determining the cognizant DCAA office, contractors may call DCAA Headquarters at (703) 767-3274.

Individuals having concerns or suggestions about the contract audit process should first bring these to local DCAA management's attention. Concerns not resolved at the local level should be elevated to the DCAA regional office. Each Deputy Regional Director (DRD) serves as the DCAA Director's primary regional point of contact to work with a company in resolving issues that cannot be settled at the local level. The DRDs may be contacted at the following numbers:

Central Region (Irving, TX)	(972) 753-2513
Eastern Region (Smyrna, GA)	(770) 319-4400
Mid-Atlantic Region (Philadelphia, PA)	(215) 597-7453
Northeastern Region (Lowell, MA)	(978) 551-9710
Western Region (La Mirada, CA)	(714) 228-7004

DCAA encourages the use of this pamphlet by all individuals interested in increasing their knowledge of audits by the Defense Contract Audit Agency. User comments and suggestions are welcome. All such correspondence should be addressed to:

Defense Contract Audit Agency
ATTN: Policy Auditing Standards Division (PAS)
8725 John J. Kingman Rd., Suite 2135
Fort Belvoir, VA 22060-6219
(703) 767-3234 (FAX)
e-mail: DCAA-PAS@dcaa.mil

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JANUARY 2003 EDITION OF THE INFORMATION FOR CONTRACTORS
DCCAP 7641.90
NOTES ON SUBSTANTIVE CHANGES

For your convenience, the following is a list of substantive changes to this edition of Information for Contractors. Each change is summarized in the notes below.

Chapter 5

- | | |
|-------------------------|--|
| 5-301 | This section was revised to add final voucher submission as a criteria for authorization to direct bill on contracts as well as a condition to rescind direct billing authorization. |
| 5-305 | This section was revised to change the voucher submission requirements for EDM payment locations. |
| 5-403 &
Figure 5-4-2 | This section was revised to indicate the progress payment request should not be adjusted for the loss ratio. |

Chapter 6

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|------------------|---|
| 6-201 | This section was revised to add the criteria and applicability of unilateral recommendations and decisions in cases where incurred cost submissions are not received on a timely basis. |
| 6-401, 501 & 601 | These sections were added or revised to include more information on contract costs (direct and indirect) and cost allocation methods and techniques for smaller or new contractors. All subsequent sections were renumbered. |
| 6-801 | This section was revised to update the Supplemental Model Information. The Executive Compensation Information form was changed to the General Organization and Executive Compensation Information form. It was also placed behind Schedule O in the order of the figures shown. |

Appendix B

This appendix was added in its entirety to provide direction in the area of records retention.

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